

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 1 June 1995

The Council met at half-past Two o'clock

PRESENT

THE PRESIDENT

THE HONOURABLE SIR JOHN SWAINE, C.B.E., LL.D., Q.C., J.P.

THE CHIEF SECRETARY

THE HONOURABLE MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE SIR NATHANIEL WILLIAM HAMISH MACLEOD, K.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D., J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE MRS PEGGY LAM, O.B.E., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E., J.P.

THE HONOURABLE JAMES DAVID MCGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, O.B.E., J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING, J.P.

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WUHUNG-YUK

THE HONOURABLE LEE CHEUK-YAN

ABSENT

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, O.B.E., J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E., J.P.

THE HONOURABLE VINCENT CHENG HOI-CHUEN, O.B.E., J.P.

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, O.B.E., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, O.B.E., J.P.

THE HONOURABLE ALFRED TSO SHIU-WAI

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL

MR RICKY FUNG CHOI-CHEUNG

PURSUANT TO STANDING ORDER 4AA, HIS EXCELLENCY THE GOVERNOR, THE RIGHT HONOURABLE CHRISTOPHER FRANCIS PATTEN, ATTENDED TO ADDRESS THE COUNCIL AND TO RECEIVE QUESTIONS.

PRESIDENT: Would Members please remain standing for the Governor?

CLERK: His Excellency the Governor.

PRESIDENT: The Governor will address the Council.

GOVERNOR: Mr President, I would like to begin by saying a few words about the Court of Final Appeal. When we proposed the Court of Final Appeal as one of the topics for discussion this afternoon, we had anticipated that this week's expert talks would have finished by now. As Members will know, they were originally scheduled to last for two days, and we had anticipated as well that I would therefore be able to report to this Council in broad terms what progress had been made. However, as Honourable Members may know, the talks are continuing today and indeed are taking place as I speak. In these circumstances, I am sure that Members will recognize that I will need to be more than usually constrained, a polite word, in what I say on this topic this afternoon.

It has been our objective all along, as Members know, to proceed with a Court of Final Appeal Bill with China's agreement. We are engaged in detailed talks with the Chinese side to that end. I very much hope they will bear fruit. Members have urged the Administration to proceed with the Bill as soon as possible. So we have a common purpose in this respect at least. I would not wish anything said this afternoon to prejudice the possibility of a successful outcome to the talks in any way and I am sure that Members would share that wish. However, I do of course recognize this Council's understandable desire to be kept closely informed of developments on this important issue. I can assure Members that the Administration will make a full statement on the outcome of the talks the moment we are in a position to do so.

PRESIDENT: Members may now put questions on the topics which have been indicated. A Member who has asked a question may for the purpose of seeking elucidation only ask a short follow-up question. Mr LEE Cheuk-yan.

MR LEE CHEUK-YAN (in Cantonese): *Mr President, the latest issue of the Hang Seng Economic Monthly, an authoritative economic analysis Publication, points out that Hong Kong's unemployment rate is going to reach 3.2% this year and it agrees that the foreign workers are competing with the manufacturing workers who have switched to another trade. All sectors of our society are concerned about the fact that importation of labour has pushed up the unemployment rate and that a "laying off trend" is prevailing. Under such circumstances, will the Governor "charge the steer abruptly" and agree to carry out the following measures.*

- (1) *immediately announce the cessation of the labour importation scheme so that the 25000 foreign workers will fade out in two years,*
- (2) *at present, the employers of some 4000 foreign workers have already obtained the quotas but they have not yet completed the entry procedure for the workers. Will the Governor stop the entry of these 4000 workers at once so as to achieve what he has said to me earlier, that is, "no new quotas, no new workers"?*

GOVERNOR: I am not so naive as to suggest that there is no relationship between the overall level of unemployment in Hong Kong and the importation of workers to Hong Kong, but nor am I so naive as to believe that there is a precise relationship between the importation of labour and the level of unemployment. In the early eighties when unemployment was far higher in Hong Kong than it is today, there was no importation of labour scheme, which is one example out of many of the fact that there are other reasons for the recent unwelcome increase in unemployment in Hong Kong. We need to take, if I may say so, a rather more comprehensive view of the issue than is being suggested by the Honourable Member because if we were merely to follow his prescription, I think we could finish up seeing unemployment continue to rise. We would not be addressing some of the real issues.

Why is unemployment going up at the moment? I think there are two principal reasons and the one aggravates the other. First of all, there has been a slow-down in consumer spending for a variety of reasons, into which we can go later if Honourable Members would like, and that has had an impact on employment in retailing, in interior decoration, in the catering industry and similar activities. Secondly, that has happened while there continues to be industrial restructuring in Hong Kong with some firms, particularly in the manufacturing sector but also in the service sector today, moving jobs to mainland China or elsewhere.

Those two factors are, I believe, the main reasons for the level of unemployment in Hong Kong. There is also of course a mismatch between the jobless and the job vacancies. We have jobless figures of about 80000 and job vacancy figures of about 60000, but we are not moving the jobless to the vacancies as adroitly and swiftly as any of us would like.

There are a range of issues that we have got to look at, therefore, in the areas of illegal immigration and in abuse by foreign domestic helpers of their employment in Hong Kong. We have got to look at job placement, retraining and training and, as I have made clear to the Honourable Member, we have also got to look at the importation of labour as well. We have proposed two measures. First of all, we were previously under an obligation to review the general importation scheme by the end of the year. We have brought that review forward by three months, if we can do it more rapidly than that we will,

and we will of course be discussing the outcome with the Legislative Council Manpower Panel and with the Labour Advisory Board in due course. Secondly, we have said that until that review is complete, there will be no new quota allocated and that we have made abundantly clear, both to employers and to unions as well. I do not think that it would be sensible to suspend the general importation scheme before we have completed that review, and I do not think it would be sensible to break what amount to contractual agreements already made with employers who are bringing in labour under the last quota.

But there are concerns expressed by unions about the way the scheme works. Some of those concerns have also been expressed by employers' representatives. There are concerns about occasional abuses of the system. We have to look at those points in particular, but we also have to look at the long-term relationship between the importation of labour and Hong Kong's competitiveness. What would be absolutely senseless would be to take short-term measures for short-term political gain at long-term economic cost to the community and I do not think that would be to anybody's advantage.

MR LEE CHEUK-YAN (in Cantonese): *What I have just heard amounts to doing nothing on the whole rather than doing something comprehensively. I am anxious to know what immediate action the Government will take. Do not tell us things like there are no new quotas, but then there are new imported workers because 4000 workers are coming to Hong Kong. The unemployment rate is standing high at present, I want to ask what the Government will do at once. "Water afar off quenqueth not the fire nearby". I want to know whether the Government will put forth some new proposals which are immediately feasible at the summit meeting next week.*

GOVERNOR: The principal purpose of that summit will be two-fold and the purposes are similar to those of previous summits we have had on subjects like the transport needs of those with disabilities, the employment needs of those with disabilities, drug abuse, all of which have, I think, proved worthwhile and have helped to shape comprehensive strategies in those areas.

The first purpose of the meeting I have called for next week is to try to develop a dialogue between the Administration, employers and unions, so that we can have a serious discussion rather than a shouting match over what is to the whole community an extremely important issue. I hope that we can promote a dialogue. I know that one or two Honourable Members have been suggesting this for some time rather than provoke an argument.

Secondly, we will, of course, put forward our thoughts but we hope that unions and employers will put forward their ideas, too. We do not think that we have a monopoly of wisdom in this area. We do think there are steps that we have to take straightaway. I have mentioned some of them in the areas of job placement and in the areas of retraining. We have to take tougher measures

against those who at present are working illegally. Those are all measures that we have to take as a matter of urgency but I hope in taking those measures and others, we will not lose sight of the overwhelming importance of retaining Hong Kong's competitiveness because unless we do that, we will see unemployment rising higher than it is today and that is something that all of us want to avoid.

PRESIDENT: Mr Henry TANG.

MR HENRY TANG: *Mr President, Mr Governor, good afternoon. My question regards voter registration in the 21 old functional constituencies. I am sure today is the last day for registration as a voter and I do not expect that registration for the 21 old functional constituencies, with the exception of those who do not have to re-register, such as teachers, will be ideal. In fact, it is substantially less than ideal. I think there are a couple of reasons and I also have a question about it.*

For those some 2.7 million working persons in Hong Kong, who are now registered under the nine new functional constituencies, they all received this letter urging them to register in the 21 old functional constituencies. And I do not know whether you personally have read this letter or not, but this letter is mentally challenging, to say the least. My wife has a university degree; she received one of these — she read it twice and could not understand what it was talking about. So, she brought it home to me for I supposedly know quite a lot about this. I read it twice and I had to call up the enquiry number to make sure my understanding is correct. So I do urge you to read it. I think it will make very interesting reading.

But the result of it is that because it is a very confusing letter, so a lot of people just simply do not understand what is required of them, because what is required of them is positive action, not negative action like the nine new functional constituencies. For the nine new functional constituencies, if a person is already a registered voter and the employer enters his name on the roster, then he needs to do nothing. He receives a letter from the Electoral Office saying that he is now registered in one of the nine new functional constituencies. But at the same time, everybody in the 21 old functional constituencies have been cancelled, so therefore you have to take positive action to re-register yourself in one of the 21 old functional constituencies.

Now, in some of the old functional constituencies, there is actually an accumulation of three elections, from 1985, 1988 and 1991. So therefore, why does the Electoral Office, with an accumulation of three elections, of three registration exercises, take everybody off the electoral roll, rather than just sending a letter to those who are registered in two — one of the old ones and one of the new ones — and asking them to elect which one they wish to register in?

GOVERNOR: I will not dwell on some of the inherent virtues and perhaps difficulties of a system of functional constituencies, though I know that some Honourable Members, particularly one whose body language we all much appreciate, have strong views on this subject. But if I can say at the outset, what I think has been interesting about the voter registration in the functional constituencies is that where we were told we would be facing insuperable problems, things have gone reasonably well. Not as well as anybody could have liked because everybody would like a 100% registration, but things have actually gone reasonably well. Where, apparently, there was no difficulty or problem, there have been larger challenges, including mental challenges. In the new functional constituencies, which given that the geographical registration has to be, I think, the basis for our electoral roll, we will have registered somewhere around 900000, maybe rather more when the books are finally closed. What that will actually mean is that with the older functional constituencies, we will have about a million registered, which is I think 14 times as many as were registered in functional constituencies the last time there were elections, which I regard — I am sure everybody regards — as a welcome increase in participation by the community in voting in Hong Kong.

If one then turns to the older functional constituencies, the problem is not quite, I think, as the Honourable Member mentioned, because the problem arises not in all the older functional constituencies but in those functional constituencies where previously there was corporate voting and we have insisted on individual voting. In the old functional constituencies where there was and remains individual voting, registration is higher; higher for doctors, higher for teachers, higher for all those other groups like engineers and accountants. I think in almost every sector the number who have actually registered to vote has increased. In some of the constituencies where there was corporate voting before, for example the one covering social welfare, the one covering labour, the number looks as though it will be higher. The problem arises in about half-a-dozen of the old functional constituencies where some Honourable Members used to complain, understandably, about the consequences of corporate voting, for example, one person having the opportunity of casting many votes, and about the complications of multiple directorships.

I think that what the problems that we have encountered indicate above all, maybe that we need to look even harder at the way we explain the electoral arrangements in these constituencies. But what I think these problems with about half a dozen constituencies have underlined is how right we were to change the voting system, where previously there was corporate voting, to individual voting because I think the scale of what may have been happening before is manifest when you compare the electoral registers. We have made considerable efforts in some of the industrial and commercial constituencies to which the Honourable Member referred, with Members of this Honourable Chamber, to actually encourage people to vote, and very often, I think, we have not been able to succeed not because of the complexities involved but because of the fact that some of the directors of many companies have not actually resided in Hong Kong for seven years. I think that one or two Honourable Members

could give us some anecdotal evidence about what was done to register corporately in one or two constituencies in the last elections, not always with the objectives achieved that people had in mind.

But what I emphasize — what I emphasize — is that where we have individual voting in those older constituencies, following on from previous individual voting, the figures look encouraging. The problem is with half a dozen constituencies. We have tried very hard to spread the good news about what is now available for bankers, for companies in the tourist industry, for the commercial and industrial constituencies which are represented in this Chamber. And if the results are not as good as we would like, while I am sure that we have lessons to learn about communication, I think the real problems lie elsewhere.

I would just add one other word. In the last couple of years, at every stage of our electoral cycle, people have said that we would fall flat on our face. We had District Board Elections on a wholly democratic basis for the first time, and what was the result? More people voted in District Board Elections than ever before in Hong Kong. We had Municipal Council Elections for the first time on the basis of total democracy, and what was the result? More people voted in Municipal Council Elections than had ever voted in Municipal Council Elections before in Hong Kong. I am sure that the Legislative Council Elections this September will be equally successful, even if not everybody in this Chamber is equally successful. *(Laughter)* And part of the credit for that should go to Mr Justice WOO and his colleagues on the Boundary and Election Commission who have, I think, done a superb job in often difficult circumstances and have done that job while retaining the respect of the whole community. We have, in Hong Kong, incredibly complicated electoral arrangements. It is part of our unique intellectually exciting progress towards democratization, and after 1997, when the community can move swiftly to total democracy, it will all be much easier. In the meantime, with the Election Committee, with the functional constituencies, with registration across the board which attempts to be fair all round, there are complications but it is a mark of the maturity and good sense of the people of Hong Kong that they make these arrangements work so successfully. And nobody should be surprised that more and more and more of them wish to go and cast their ballots.

MR HENRY TANG: *Mr President, Mr Governor, actually, what you have mentioned about the old corporate voting is actually not a company who walked into the polling stations and cast its vote, but rather a nominee of the corporation. And this nominee*

GOVERNOR: They sometimes cast more than one vote.

MR HENRY TANG: *Yes. No, actually he only has one vote. If he casts his vote in one of the old functional constituencies, then he cannot cast his vote for another company in another functional constituency. He can only vote once in the functional constituency, unless he is an engineer, then he can have another vote in the engineering one. Actually, I do put it to you that that person is a real person of the company, so that person is already a registered voter. There is actually very little reason to remove that person or to deregister him in this new exercise, because effectively, having deregistered him, if he were it is very likely that he will now become a new functional constituency voter rather than the old one, simply because he would have to take positive action to remain as an old one rather than become a new one.*

GOVERNOR: I am prepared to follow this slightly arcature point with the honourable gentleman outside the Chamber. But I think what he is suggesting is that whereas for other functional constituencies it would still be necessary to be on the geographical roll in order to be a functional constituency voter, in the old corporate constituencies, I think the Honourable Member is suggesting that people should automatically be on the functional constituency register if they were on it before. One of the problems is that some of those who were clearly on the corporate voting register before, do not qualify, for other reasons, to vote in Hong Kong. I think that has turned out to be a problem in a number of those constituencies. I assure the Honourable Member that while we are always happy to learn — and that goes, I know, for the Boundary and Election Commission which have tried very hard in those old functional constituencies — where the problem should inherently be less considerable than in the new functional constituencies. They have worked phones, they have written letters, they have contacted individual business organizations and individual Legislative Council Members. But it is interesting, at the end of the day, we have found it easier to register 900000 plus people in the new functional constituencies than to register a few thousand in the old corporate functional constituencies, and that, I think, raises a number of exceptionally interesting questions.

PRESIDENT: Mr NGAI Shiu-kit.

MR NGAI SHIU-KIT: *According to the official data, the average registration rate of new functional constituencies is 40%, which is far beyond the authorities' expectation. Is the Governor satisfied with this registration rate? Does the low registration rate mean that the election will lack representiveness?*

GOVERNOR: Well, as I said a moment or two ago, any democrat like me would like to see a 100% registration and anything less than that is regrettable. What we have seen in Hong Kong in the geographical constituencies is a substantial increase in registration and we have set out to register in these

functional constituencies and in my judgement, the Boundary and Election Commission have done pretty well to get as high as they have.

There are difficulties in carrying through the task, not least because you have to be on the geographical register in order to qualify for a functional constituency vote. I do not think that is unreasonable. It has been the situation since 1985. We have not started it afresh. But what is fair? At the end of polling day, 14 times as many people will have had a chance in 1995 of voting in functional constituencies as voted in functional constituencies in 1991. I think that represents a considerable advance. We will have about a million people voting in those functional constituencies, maybe a few more, maybe a few less, and I hope it will be many more in functional constituency elections thereafter.

PRESIDENT: Mr Michael HO.

MR MICHAEL HO (in Cantonese): *Mr President, my question is related to the reply of the Secretary for Health and Welfare yesterday in response to my motion concerning medical charges. In her reply yesterday, the Secretary for Health and Welfare disclosed a shocking piece of news. She said it was proposed that the median household income be used as the basis of assessment. In other words, a person whose income is above the median household income may have to pay certain itemized charges. That is fundamentally very much different from the existing charging method. At present, the hospital maintenance fees charged are basically inclusive of all kinds of fees. If itemized charges are to be introduced in future and the assessment is simply based on the median household income, many families with a fairly low income will have to bear expensive medical expenses. Mr Governor, I know that the Government is now discussing this issue behind closed doors and has no intention to hold public consultation. Mr Governor, what will you do to set the Legislative Council and members of the public at ease, assuring us that the proposal with which the Health and Welfare Branch will come up in September subsequent to its discussions will not collect itemized charges from the poor? It is because we all know that the existing median household income is indeed very low. They cannot possibly afford that expensive medical charges.*

GOVERNOR: I was not expecting to answer a question about itemized charges this afternoon, but with my customary generosity of spirit, I am delighted to take this opportunity of answering and I hope not avoiding the honourable gentleman's question. I would just like to commend him for his good fortune yesterday. (Laughter) I understand the fact that I called a meeting at Government House in the early evening meant that he won his debate rather than lost it by one vote. I am assuming of course, I hope correctly, that the three government Members would have voted for the Administration.

The Honourable Member has raised a serious point and we have been trying to address it in two ways, first of all, by looking at those groups which can be particularly disadvantaged financially by a regime of charges — people like the chronically ill. Secondly, we have been considering ways in which existing resources, for example, through the Samaritan Fund, can be used to alleviate the burden of charges on some people who find themselves facing unexpectedly large bills for medical treatment. In deciding on the best way forward, we will, of course, want to take account of the views expressed in the Legislative Council yesterday. We will of course want to take account of the views expressed outside this Chamber, for example, the recent petition, and we will want to take account of the views of the Hospital Authority.

I do not think that this Council would be wise to argue for completely eliminating charges. I suspect that in this community, as in others over the coming years, we are going to find ourselves faced with the difficult consequences of a growing financial burden for health care and a growing reluctance on the part of the community to actually pay what is required for the technological and other advances in health care, and I do not think it would be sensible to completely eliminate one small resource which helps to finance health care at the moment, that is, charges. I think it makes more sense to try to rationalize charges and to ensure that nobody who is in need is either prevented from receiving medical treatment because of cost or is financially crippled as a result of needing medical treatment because of the high cost of charges. We must try to strike a balance, but I think that balance would have been best struck in the amendment which unfortunately my honourable friends did not have the opportunity of voting for yesterday.

MR MICHAEL HO (in Cantonese): *Mr President, first of all, I would like to thank the Governor for his support. In fact, I did not intend to raise this question today, but having listened to the reply of the Secretary for Health and Welfare yesterday, I would like the Governor to give us clarification of such an important change. Besides, I would also like to bring up one point, that is, the concept of itemized charges will in fact change the system of collective responsibility to one under which an individual person or family will be made to bear the itemized charges. Mr Governor, I hope the Government will hold public consultation on such a significant change. Can the Governor ask the departments concerned to hold public consultation on the changes involved during the period between now and September?*

GOVERNOR: Well, of course we are taking account of the views of the public; we are taking account of the views of the Hospital Authority and others. Unless we listen to what the community is saying, we will not be able to come off with a policy in the autumn which has the broadest possible support. What we all know is that nobody much cares for charges for anything, but we do have to find a way of funding the continuing development and improvement of our health service at the margins. But it is at the margins, charges will I am sure

continue to have a role to play. But I repeat what I said earlier about the importance of dealing with particular groups and particular individuals in need, both by policy changes and by the resources allocated through things like the Samaritan Fund.

PRESIDENT: Dr YEUNG Sum.

DR YEUNG SUM (in Cantonese): *Mr President, the number of registered electors may not have risen, but the unemployment rate has indeed reach a record high in the past nine years. The economic report issued by a bank yesterday points out that the unemployment rate may reach 3.2%. So, the request both within and outside this Council for the Government to stop importation of labour is a justifiable one. Even the Governor today said for the first time that unemployment is related to labour importation. That is contrary to what other officials have said before but it is closer to the truth. We hope the Government will give due consideration to our urge to stop labour importation. I want to put forward two specific proposals:*

- (1) *The Government should take the lead to recruit retrained workers. This is because the Government is the largest employer. If the Government takes the lead, it can encourage more people to use the retraining scheme; and*
- (2) *The Government should relax the application requirements for Comprehensive Social Security Assistance (CSSA) and also raise the assistance level, as a matter of economic assistance.*

Of course, the Governor may say that a review is underway and that only when the review is completed can there be a conclusion; but could the Government think along these two lines?

GOVERNOR: I gave quite a long, conceivably excessively long, answer on unemployment and the importation of labour earlier, so I do not want to repeat any of those points that I made. But while I know, from looking at the press, from what people say to me, from the anecdotes I hear from Honourable Members and others, that there is a gut feeling in the community that the rise in unemployment has something to do with the level of importation of labour, I do beg this Chamber not to take quite such a simplistic view. I do not believe there is a precise mechanistic relationship between the importation of labour and the level of unemployment. If you look at the figures for the importation of labour, I think you will find that under the general scheme, there has actually been a fall in the number of workers in Hong Kong at the same time as unemployment itself has been rising. I do not seek to argue that there is no relationship between import of labour and unemployment, but I do not think the relationship is quite as precise as some of the political arguments suggest.

The Honourable Member is entirely correct to draw attention to the importance of retraining and I think, if I may say so, that it is a particular challenge and particularly important for female employment in the labour market. If the Government were to particularly prioritize in taking on one group of workers or another, I do not quite understand how it would increase the total number who were employed. There is only a finite number of people who can be employed by the Government and this Council would rightly criticize the Government if we took on more than were needed to discharge public services. If we prioritize one particular group, it does not create more jobs. It merely redistributes jobs around the community. But we should give as much encouragement as possible to retraining, and the best way of encouraging retraining is to make sure that we are retraining people for real jobs rather than retraining them for jobs that alas do not exist. That is why we want to try to tailor-make retraining and relate it much more closely to job vacancies, and I think we have to work with unions and employers to accomplish that objective.

On Comprehensive Social Security Assistance (CSSA), I think the Honourable Member would be surprised, though doubtless gratified, if I were to announce this afternoon what I intend to say in my speech to the Legislative Council in the autumn. But my honourable friend, the Financial Secretary, has been discussing the next Budget with Honourable Members. I think we have an idea of the priority which many Honourable Members attach to CSSA and I think Honourable Members must have some notion themselves of the fiscal parameters within which we work and intend to continue to work as a matter of good macroeconomics and prudent financial management. But I think that all I can say beyond that is that the Honourable Member should watch this space.

DR YEUNG SUM (in Cantonese): *Mr President, if that is the case, does it mean that other than waiting for the result of a review, there is basically nothing the Government can do to assist the unemployed workers in any specific way? To the Government, has reviewing degenerated into a means of stalling? To those who are facing unemployment or being unemployed as well as their families, are we going to tell them calmly that the Government is waiting for the result of a review?*

GOVERNOR: Well, I hope that whatever the Honourable Member and others do will be calm. I am challenged by the Honourable Member to repeat myself. There are things that we are doing and not just considering doing. There are actions we are taking and not just matters that we are reviewing. We are extending the job placement scheme from five Local Employment Services to all nine Local Employment Services across Hong Kong. It is a scheme that we only started recently. It is a scheme that we started with the intention of monitoring it and seeing if it needed to be extended later. But we have decided to extend it straightaway to the whole of the community and we hope that it puts more people in touch with job vacancies more rapidly. Secondly, we are attempting to relate retraining to vacancies in our existing programmes and I want to make

it clear to the Honourable Member that so far as I am concerned and so far as we are concerned, none of our efforts in the retraining field will be constrained by shortage of resources. Thirdly, we have doubled the number of people who were involved in trying to catch those who are illegally employed and we have also sharpened the penalties, stiffened the penalties for illegal employment. So those are three measures that have been taken straightaway and we intend to take more.

In the longer term, what is the answer to the continuing export of some manufacturing and service jobs to other places in the region and to mainland China? The answer is not to stop that process any more than it would have been five years or 10 years or 20 years ago. The answer is to try to ensure that we re-skill and upgrade the skills of the Hong Kong workforce and remain a competitive environment for investors, and that we intend to do.

Hong Kong has gone through an industrial restructuring, a move from being a primarily manufacturing economy to a primarily service-based economy without any of the high unemployment or long-term unemployment or social upheaval that has occurred in other similar developing economies or other developed economies, and I want to see us continue to apply those lessons here in Hong Kong. I am told that it is not just the manufacturing industry or the more sophisticated service industries which have been exported. I am told that now the majority of the "dim sum" that are eaten in Hong Kong are actually made outside Hong Kong, are actually made in mainland China. When that is happening it is a reminder of the importance of us being competitive in every sector and that must be the principal priority of the Government. But I want to repeat something I said earlier. I recognize the real passionate concern that Honourable Members, like the Honourable Member who has asked the question, feel about unemployment even though unemployment by international standards is, thank God, reasonably low. That is no argument for complacency; it is every argument for the Administration listening carefully to people like the Honourable Member and trying to convince him and others that the approach we are taking is the right one.

PRESIDENT: Miss Christine LOH.

MISS CHRISTINE LOH: *Thank you, Mr President. Mr Governor, I would like to ask you a question on the Court of Final Appeal, knowing that discussions are ongoing. However, I think you are well aware that the last sitting of this Council is going to be, I think, on 26 July. Today is 1 June. Many Members here have not actually had the benefit of really scrutinizing the existing draft and if you are successful in negotiating something with the Chinese then presumably there will be areas of amendment. What do you think is the last day you can bring a bill to us giving us still sufficient time to scrutinize the bill during this Session?*

GOVERNOR: That is a very fair question to which I am going to respond at a level of generality which the Honourable Member may not regard as entirely satisfactory. Soon.
(Laughter)

MISS CHRISTINE LOH: *Well, Mr Governor, I think we can kind of also work backwards. But even if you were to gazette the bill next week and we expedite the hearing process, I mean you know we are already talking about perhaps the second week of June, so with time for Committee stage amendment and so on, at the very most you are not going to give us more than three or four weeks effectively, maybe four weeks, to look at the bill. But since you gave me such a short answer, perhaps the President would allow another question for me to make up.*

I am wondering, in your attempts to go back to the negotiating table you have decided to accept rather than to say you would consider some of the suggestions by the Preliminary Working Committee (PWC). You certainly did not afford this Council the same courtesy of asking us. So I am just wondering why you would accept the PWC's suggestions straightaway without ever bothering even to come to us to consult us?

GOVERNOR: Can I add to soon, we would have liked to have been able to bring the bill to this Council a great deal earlier. I would have liked to have brought the bill to the Council back in February or March. The reason that we have not is because, and I had the impression from the debate recently that this is perhaps an objective which most Honourable Members share, we had not yet got the endorsement of the Chinese side for a bill which in our judgement faithfully reflects the 1991 agreement. I would greatly prefer, the Chief Secretary would greatly prefer, the whole community would greatly prefer, to be in a position in which we can legislate on a basis of consensus. But what I think this Chamber and, I hope the community feels, is that we cannot go on like this indefinitely and that is why we have made it absolutely clear that we intend to put legislation before this Council in this Session.

On the Honourable Member's other point, in all the legislation that we bring forward we take account of views that are put by this Legislative Council and we do not always need a formal exchange with the Council in order to have a pretty clear idea of what its views are. We had, I am bound to say much to my predecessor's and my chagrin, the initial views of the Council on the 1991 agreement in 1991. We have had the views of the Council more recently. We have taken account of the views of the legal profession which have often reflected the views of some individual Legislative Council Members. So I do not think that we can be accused of having closed our ears and eyes to the debate that has been going on in the community about the Court of Final Appeal. At the end of the day, I hope that we can go ahead with a bill which has the broadest possible support in ensuring that Hong Kong continues to enjoy a jurisdiction similar to, the same as, that at present discharged by the Judicial Committee of

the Privy Council. That is my simple objective, working within the context of the agreement between Britain and China in 1991.

PRESIDENT: Mrs Peggy LAM.

MRS PEGGY LAM (in Cantonese): *Mr Governor, you have all along been stressing and advocating that Hong Kong Government is a fair, open and just government, and under its rule, all the people are treated on the same footing in most of the cases. But after the occurrence of a case recently, some people think that these words of the Governor do not necessarily apply to each and every case. My question is about the cottage areas in Hong Kong. I am not sure if it is within the five subject scopes for questioning. But, as the Governor has earlier allowed a question put by an Honourable Member even though it goes beyond the scopes of questioning, I would like to ask a question about the cottage areas.*

Ching Man Village and Wesley Village are within cottage areas. Recently, because of the dangerous slopes detected, the residents of these villages have to evacuate because they were required by the Government to do so. However, they have not received any compensation. Although these cottages were built some decades ago by the church, the residents of these villages did spend money on buying these cottages when they moved to settle there after their homes were destroyed by fire. But now the Government asks them to move without giving them any coverage compensation, thereby making many residents feel very much aggrieved. They have lodged a lot of complaints to us. Such being the case, I would like to take this opportunity to ask the Governor why these residents are not entitled to compensation whilst the residents of the Rennie's Mill cottage area are granted special compensation? In fact, these residents do not wish to move. They are moved upon the requirement made by the Government. They thought they could settle down there for the rest of their life. Why is it that they are not compensated for the coverage of the cottages which they bought? How would the Governor explain to these residents that this policy is, in his words, fair, just and open?

GOVERNOR: The honourable lady has demonstrated how unwise I was to answer the admirable question from Mr HO. (Laughter) But just to show how open and fair I am, I will respond briefly to the honourable lady in a way which I hope is eventually, if not initially helpful. The honourable lady will know and will, I am sure, have explained to her constituents what the long-standing arrangements of the Hong Kong Government are for compensating those who are moved because of the requirements of resettlement policy or for other reasons. Most of my senior Secretaries have spent parts of their public service career dealing with resettlement cases in various parts of the territory and will be as familiar as the honourable lady is with the difficulties involved, not least

because people always want more financial compensation than is offered; it is part of the human story.

The particular problems associated with the cottage areas to which the honourable lady refers have not, I have to confess, alas, been brought to my notice on previous occasions but I will write to the honourable lady a comprehensive reply on the issue which I hope will satisfy her, and it would be nice if it satisfied those concerned as well. But I will leave that to the formidable eloquence of the honourable lady.

PRESIDENT: Dr LEONG Che-hung.

DR LEONG CHE-HUNG: *Thank you, Mr President. Mr Governor, it would be ungentlemanly and perhaps not the right thing to ask you if you are happy with the Democratic Party and the itemized charges, or if you are happy with the Administration. But I am going to change the subject and ask a follow-up on what Mr Henry TANG has mentioned about elections and the registration of voters.*

Mr TANG did mention and you answered rightly that there has been a lot of, perhaps, previous confusion which has been settled in the so-called corporate votes. But even in the older functional constituencies which are concerned with individual voting, there are lots of, perhaps, areas which have not been settled and which have produced a lot of problems. I am referring to my own older functional — not the oldest profession — the older professional constituency. (Laughter)

Because of the fact that doctors also belong to the public service and because of the fact that a lot of doctors, basically, are employees — for example, they are employees of the Hospital Authority — a lot of them are therefore listed for one reason or another in the ninth new functional constituency. The result is that even up to a few weeks ago, there were still some 4000 registered doctors and dentists who were not yet registered. I wonder if the Governor would consider looking at this and extend the date of registration so that some of these could be ironed out? On my part, we have been sending out letters to them to clarify the matter and I think the Government has done the same thing, but still there is a lot of confusion.

GOVERNOR: Despite that, I know that the Honourable Member will be pleased that the registration in a constituency, whose perceptiveness and wisdom in electoral matters I am sure the Honourable Member would endorse, is up by about 10% in the overall figure from last time. Where members of a profession or another group could vote in more than one functional constituency, the Honourable Member knows the arrangements which are open to them. It may be that we need to look at those arrangements anew after this election and try to

make them even more user or voter friendly. But I think there are quite strong arguments against extending the registration period beyond 1 June because we are only a couple of months away — yes, a couple of months away — from nominations opening for the Legislative Council Elections and I think that people, frankly, will want to get on with the job of preparing for those elections without having a longer period for registration. But we may need to look at the arrangements for the future.

DR LEONG CHE-HUNG: *Thank you, Mr President. I would just like to remind the Governor that 10% is a very small number in my constituency simply because of the fact that there have been a lot of new graduates since the last registration. After all, there was no voting in 1991.*

GOVERNOR: That is perfectly true, though I doubt whether there are many, except the very brightest of the Honourable Member's constituents, who have come on to the register as doctors because of our reduction in the voting age from 21 to 18. But we will certainly look at the points that the Honourable Member made.

PRESIDENT: Mr Roger LUK.

MR ROGER LUK: *Thank you, Mr President. My question is on employment. Mr Governor, the focus of retraining has been on assisting displaced manufacturing workers to take up employment in the service sector. But with the recent developments in the service sector, in particular the closure of major hotels and department stores, will the Government review the retraining policy in this light?*

GOVERNOR: Yes, certainly. We do need to ensure that retraining deals adequately with the needs of an economy which is now so heavily service based. It does not mean that manufacturing is not important. I suppose about 14% of our workforce is still working in manufacturing. But given the importance of services to the economy, we have to make sure that retraining reflects that. And if I may say so, in reviewing the Labour Importation Scheme we have to consider what is happening in both manufacturing employment and service employment. So I hope we can be as positive and sensible as the Honourable Member has suggested.

ADJOURNMENT AND NEXT SITTING

PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 7 June 1995.

Adjourned accordingly at twenty-seven minutes to Four o'clock.

